

Message from the Chief Financial Officer

1997 - 2007
CFO
5 Year Plan



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201



As the senior policy official for financial management at the Department of Health and Human Services, I am pleased to present the "FY 1996 CFO Financial Management Status Report and Five Year Plan." This report provides the financial management strategic vision for HHS, as well as the status of and plans for our financial management infrastructure.

Although we are proud of our past accomplishments, we recognize the significant challenges that lie ahead as we work to implement recent financial management legislation including the Debt Collection Improvement Act of 1996 and the Federal Financial Management Improvement Act of 1996. Additionally, we are still gearing up for full implementation of the Government Performance and Results Act of 1993 and the Government Management and Reform Act of 1994.

We are committed to making improvements in HHS' financial management because it is the right way to do business. Although HHS may be primarily a service organization, rather than a profit-making enterprise, the principles of sound financial management are the same: integrated systems that account for every dollar; sound policies and procedures; cost-effective decisions and practices; qualified and knowledgeable staff; and timely accountability, service, and information for the customer and senior management.

In FY 1996, we made significant strides in improving financial management at HHS. We were one of the few departments to utilize the FY 1998 budget process to test GPRA requirements for performance plans and to identify issues which must be addressed for full compliance. We continued to co-chair the Governmentwide Research Roundtable working with our sister agencies to develop performance measures for research programs and identify best practices to minimize duplication of effort across government. We prepared FY 1995 financial statements for all HHS programs and expanded our financial statement audit coverage, and we are in the process of developing a prototype FY 1995 Accountability Report in preparation for the first Annual Accountability Report in FY 1996, which will be published. The Accountability Report will reflect our continued efforts to improve the linkage between financial, budget, and performance information.

We also redesigned our centralized grant payments system and payroll/personnel systems, expanded the use of electronic funds transfer for payments, consolidated accounting operations and made significant progress in developing a centralized grants information system. Our future plans include improvements in financial systems, performance reporting, asset management, audit resolution, and the use of technology and innovation to manage our business.

We hope that readers of this document will find the details of our financial management status and plans to be both useful and informative. We also hope that the magnitude of the challenges that lie ahead is apparent, as is our commitment to meeting those challenges.

John J. Callahan